

Decision 04-10-011 October 7, 2004

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Bahram Shahab and Mehrdad Hajimoradi, dba LAXpress Airport Shuttle and Xpress Shuttle, for: A. authorizing extension of its Passenger stage Authority (PSC-5038) to include portions of Riverside and San Bernardino, Ventura Counties (not included in the original application) and San Diego County in its entirety, San Diego Airport. B. Granting Authority to establish a zone of rate freedom (ZORF) for operations as a passenger stage corporation. C. To approve transfer of its Passenger Stage Coach Authority (PSC 5038) from its current Partnership to a California Corporation pursuant to the provision of public code §§ 851 et seq.

Application 04-06-013
(Filed June 10, 2004)

O P I N I O N

Summary

This decision grants the application (1) to transfer, pursuant to Pub. Util. Code § 851 et seq., a passenger stage corporation (PSC) certificate from Bahram Shahab and Mehrdad Haji Moradi (Transferor), a partnership, to Consolidated Airport Transportation Systems, Inc. (Transferor), a corporation, (2) to extend the service area of the PSC certificate being transferred, and (3) to establish a zone of rate freedom (ZORF) pursuant to Pub. Util. Code § 454.2.

Discussion

Transferor is authorized by Decision (D.) 88-10-026 to operate as a passenger stage corporation (PSC-5038) to transport persons and their baggage

on an on-call basis between Orange County and portions of Los Angeles, Ventura, San Bernardino, and Riverside Counties, on the one hand, and Los Angeles International (LAX), Long Beach (LGB), Burbank (BUR), Ontario International (ONT), and John Wayne (SNA) Airports, Los Angeles and Long Beach Harbors (HBR), and the Los Angeles Amtrak Station (AMTRAK), on the other hand. Transferor commenced operating this service on November 1, 1988.

The application requests approval to transfer the PSC certificate to Transferee. Transferor states that it wants to take advantage of the benefits associated with operating a business as a corporation. Ownership and management will remain the same. Transferee will conduct operations with Transferor's current drivers and fleet of 35 vans.

Transferee seeks to revise the certificate being transferred by expanding the service territory to include Ventura, Riverside, and San Bernardino Counties in their entirety and to add San Diego County. Transferor has been providing charter transportation service in these areas under its charter-party permit. Transferee desires to serve them as a PSC when it assumes responsibility for the operation. It believes the public would benefit from the availability of shared-ride PSC service, which is less expensive than charter service.

Transferee also requests authority to establish a ZORF of \$15 above and below any of the current fares of Transferor and any of the proposed new fares shown in Exhibit B of the application. The minimum fare will be \$5. Applicant will compete with other PSCs, taxicabs, limousines, buses, and automobiles in its service area. This highly competitive environment should result in Applicant pricing its services at a reasonable level. Many other PSCs have been granted ZORFs. The requested ZORF is generally consistent with the ZORFs held by other PSCs.

Notice of filing of the application appeared in the Commission's Daily Calendar on June 17, 2004. Notice of this application was served on the affected regional transit districts, counties, and cities within whose boundaries the passengers will be loaded or unloaded.

In Resolution ALJ 176-3136 dated July 8, 2004, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3136.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Richard Clark is the assigned Examiner in this proceeding.

Findings of Fact

1. Transferor is operating as a PSC pursuant to D.88-10-026. Transferor requests approval to transfer certificate PSC-5038 to Transferee.
2. The proposed transfer will not be adverse to the public interest.
3. Transferee requests to extend the PSC authority to be transferred to include all points in Ventura, Riverside, San Bernardino, and San Diego Counties, on the one hand, and LAX, LGB, BUR, ONT, SNA, AMTRAK, and HBRS, on the other hand.
4. Public convenience and necessity requires the proposed new service.
5. Transferee requests authority to establish a ZORF of \$15 above and below any of Transferor's current fares and any of the proposed new fares shown in Exhibit B of the application. The minimum fare will be \$5.

6. Transferee will compete with PSCs, taxicabs, limousines, buses, and automobiles in its operations. The ZORF is fair and reasonable.
7. No protest to the application has been filed.
8. A public hearing is not necessary.
9. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. The proposed transfer is in the public interest and should be authorized.
2. Public convenience and necessity has been demonstrated and the request to extend the authority to be transferred should be granted.
3. The request for a ZORF should be granted.
4. Before Transferee changes any fares under the ZORF authorized below, Transferee should give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the then currently effective fare between each pair of service points
5. Since the matter is uncontested, the decision should be effective on the date it is signed.
6. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. Within 120 days from the effective date of this decision, Bahram Shahab and Mehrdad Haji Moradi (Transferor), a partnership, may transfer their certificate of public convenience and necessity (CPCN) to operate as a passenger

stage corporation (PSC) specified in this application to Consolidated Airport Transportation Systems, Inc. (Transferee), a corporation. Transferee is authorized to extend the CPCN to operate as a PSC, subject to the conditions contained in the following paragraphs.

2. Transferee shall:

- a. File a written acceptance of this certificate within 30 days after this order is effective.
- b. Within 120 days after this order is effective, adopt Transferor's tariffs and file new tariffs and timetables for the extended service, state in them when the service will start, make them effective 10 or more days after this order is effective, and allow at least 10 days' notice to the Commission.
- c. Comply with General Orders Series 101 and 158, and the California Highway Patrol (CHP) safety rules.
- d. Comply with the controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.
- e. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 423 when notified by mail to do so.
- f. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
- g. Enroll all drivers in the pull notice system as required by Section 1808.1 of the Vehicle Code.

3. Transferee is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$15 above and below any of the current fares of Transferor and any of the proposed new fares shown in Exhibit B of the application. The minimum fare will be \$5.

4. Transferee shall file a ZORF tariff in accordance with the application on not less than ten days' notice to the Commission and to the public. The ZORF shall expire unless exercised within 120 days after the effective date of this order.

5. Transferee may make changes within the ZORF by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

6. In addition to posting and filing tariffs, Transferee shall post notices explaining fare changes in its terminals and passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

7. Transferee is authorized to begin operations on the date that the Consumer Protection and Safety Division mails a notice to Transferee that its evidence of insurance and other documents required by Ordering Paragraph 2 have been filed with the Commission and that the CHP has approved the use of Transferee's vehicles for service.

8. The CPCN granted to Transferor by Decision 88-10-026 is revoked on the date Transferee is notified that it may commence operations as provided in Ordering Paragraph 7.

9. Before beginning service to any airport, Transferee shall notify the airport's governing body. Transferee shall not operate into or on airport property without authority from the airport's governing body.

10. The CPCN to operate as PSC-17892, granted herein, shall expire unless exercised within 120 days after the effective date of this order.

11. The Application is granted as set forth above.

12. This proceeding is closed.

This order is effective today.

Dated October 7, 2004, at San Francisco, California.

MICHAEL R. PEEVEY

President

CARL W. WOOD

LORETTA M. LYNCH

GEOFFREY F. BROWN

SUSAN P. KENNEDY

Commissioners

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

AS A PASSENGER STAGE CORPORATION

PSC-17892

Showing passenger stage operative rights, restrictions,
limitations, exceptions, and privileges

All changes and amendments as authorized by
the Public Utilities Commission of the State of California
will be made as revised pages or added original pages.

Supersedes the authority heretofore granted to
Bahran Shahab and Mehrdad Haji Moradi, a partnership, by D.88-10-026.

I N D E X

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SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS,
LIMITATIONS, AND SPECIFICATIONS.

This certificate supersedes all passenger stage operative authority granted to Bahram Shahab and Mehrdad Haji Moradi, a partnership.

Consolidated Airport Transportation Systems, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, is authorized to transport passengers and their baggage on an "on-call" basis, between the points described in Section II, over the routes described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- a. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- b. The term "on-call", as used, refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs shall show the conditions under which each authorized on-call service will be provided, and shall include the description of the boundary of each fare zone, except when a single fare is charged to all points within a single incorporated city.
- c. No passengers shall be transported except those having a point of origin or destination as described in Sections IIB.
- d. This certificate does not authorize the holder to conduct any operation on the property of any airport unless such operation is authorized by the airport authority involved.

SECTION II. SERVICE AREA.

- A. Los Angeles County (south of the Santa Susana
and San Gabriel Mountains)
Orange County
Riverside County
San Bernardino County
San Diego County
Ventura County
- B. Burbank Airport
John Wayne Airport
Long Beach Airport
Los Angeles International Airport
Los Angeles Amtrak Station
Los Angeles/Long Beach Harbors
Ontario International Airport

SECTION III. ROUTE DESCRIPTION.

Commencing from any point in the counties described in Section IIA, then
over the most convenient streets and highways to any point described in
Section IIB.